

# The Effectiveness of California's Oversight of Private Postsecondary and Vocational Education



A CALIFORNIA POSTSECONDARY EDUCATION COMMISSION FACTSHEET

## Background and Overview of the Law

In 1989, following a period during which California had earned a reputation as a haven for so-called “diploma mills,” Senator Becky Morgan and Assemblywoman Maxine Waters introduced legislation which became the Private Postsecondary and Vocational Education Reform Act of 1989, (Reform Act). This legislation established the Council for Private Postsecondary and Vocational Education (CPPVE) as the single State agency responsible for reviewing, regulating, and approving private postsecondary institutions in California.

The law also called for the California Postsecondary Education Commission, sponsor of the Morgan legislation, to conduct a review and evaluation of the effectiveness of the Reform Act and its implementation after five years. This fact sheet summarizes the findings of the Commission as reported in fall 1995.

The Private Postsecondary and Vocational Education Reform Act is California's major statute for regulating and strengthening its more than 2,000 privately operated postsecondary education institutions as well as out-of-state public and private institutions that have operations in California. These institutions educate over

400,000 students, some 100,000 enrolled in degree-granting institutions, and some 300,000 enrolled in non-degree-granting institutions. Non-degree-granting schools offer both State-licensing preparation courses and vocational training which closely approximate the occupational course work offered by the public community colleges. The degree-granting institutions covered under this law offer various academic degree programs.

Display 1 below presents estimated enrollment and degree statistics for all California institutions regulated by the Council for Private Postsecondary and Vocational Education in addition to the State's independent institutions which are accredited by the Western Association of Schools and colleges and exempt from the law.

*Because the Reform Act has been effective in improving the integrity of degrees and diplomas and because its rigorous consumer provisions protect students from misrepresentation and unfair practices, the Commission's primary recommendation is that the law's repeal date be removed, thereby continuing the Reform Act indefinitely.*

## DISPLAY 1 California Private Postsecondary Education, 1995 Estimates

	<u>Number of Schools</u>	<u>Enrollment</u>	<u>Degrees and Certificates Awarded</u>
<b>Council-Regulated</b>			
Private, non-degree granting	2,000	310,000	200,000
Private, 2- and 4-year degree granting	300	100,000	27,000
<b>Non-Council-Regulated</b>			
WASC Private 2- and 4-Year degree granting	112	212,000	48,000

Sources: Council for Private Postsecondary and Vocational Education and California Postsecondary Education Commission.

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## Commission Study Addresses Reform Act Effectiveness

The Commission concluded its review in late summer and officially adopted the report at its October, 1995, meeting. In conducting its review, the Commission addressed the following areas: (1) the effectiveness of the law in protecting the integrity of degrees and diplomas, (2) the effectiveness of the law in protecting students from misrepresentation and unfair practices and promoting the financial integrity of institutions, (3) the appropriateness of the exemptions for specified institutions, (4) the implementation of the law by the Council, (5) the appropriateness of delegating oversight responsibility to state boards and agencies, and (6) the desirability of revising state financial aid programs to enable Council-approved degree-granting institutions to participate in them. The report contains an analysis of each of the areas designated above, and includes proposals for both statutory revisions and administrative adjustments.

*“Californians used to have to hang their heads in embarrassment but that no longer is the case.”*

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## Conclusions and Recommendations

Prior to passage of the Act, some degrees and diplomas awarded by California’s private postsecondary and vocational education institutions were of questionable integrity and value. The state had become known as the “diploma mill” capital of the world. In addition to the issue of integrity of degrees, California had become a haven for financial aid abuse in private proprietary schools and colleges.

In conducting its review of the Reform Act, the Commission reached several important conclusions. Among them are: (1) the Reform Act is rigorous in its consumer protection requirements for all private institutions in California, with enforcement of some of the most aggressive consumer and student protection provisions in the nation, (2) the Reform Act is effective in protecting the integrity of degrees and diplomas, and (3) the law reflects a balanced recognition of both student and institutional protections and rights.

Because the Reform Act has been effective in improving the integrity of degrees and diplomas and because its rigorous consumer provisions protect students from misrepresentation and unfair practices, the Commission’s primary recommendation is that the law’s repeal date be removed, thereby continuing the Reform Act indefinitely.

*“. . . The Reform Act has restored the credibility of California’s private postsecondary educational institutions . . .”*

In its report, the Commission made 24 additional recommendations for both statutory and administrative revisions and adjustments to further strengthen the law. Four of the more far-reaching recommendations are: (1) requiring that all private vocational education programs -- both degree and non-degree programs operated by both profit and nonprofit institutions -- comply with the provisions of Education Code Section 94311 and Article 2.5 of the Act; (2) requiring institutions accredited by the Western Association of Schools and Colleges (WASC) which have a federal cohort default rate in excess of 20 percent to comply with the provisions of the law; (3) allowing approved private institutions to participate in the Cal Grant programs provided that they demonstrate the capacity and ability to administer the funds and provide a minimum level of institutional-funded financial assistance; and (4) requiring each of the public and independent postsecondary education institutions that offer vocational education programs to develop and disclose information on the completion and employment placement rates of students enrolled in their vocational education programs.

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## Urgency Legislation Needed

Two bills have been introduced this year, Senate Bill 153 (McPherson) and Assembly Bill 71 (Wright) to extend the law. Both are urgency measures and must be passed and signed by June 30, 1997, to prevent the repeal of the law and the elimination of the Council and the standards and consumer protections which have been in place for the past seven years. More information on these proposals may be obtained by contacting the authors or Marge Chisholm, of the California Postsecondary Education Commission, at 322-8019.